

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 02-17
)	
DIVERSIFIED ENERGY SERVICES,)	
INC. and Andrew W. Chang,)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around May, 2002, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents Diversified Energy Services, Inc. and Andrew W. Chang ("Diversified"). Business Registration Division records list Andrew W. Chang as President of Diversified, an engineering service and sales business, whose business address is 91-083 Hanua Street, Kapolei, Hawaii. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Diversified and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or

corrective action taken by Respondents pursuant to section 11-216(g),
HRS.

- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around May, 2002, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the Harris 2000 campaign committee ("Harris), initiated an investigation involving excess contributions in violation of section 11-204(a), HRS.
 - 2. Section 11-204(a)(1)(C), HRS reads in part as follows: No person or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
 - 3. The election period for Jeremy Harris and the Harris 2000 campaign committee for Mayor of Honolulu include the period from November 6, 1996 to November 7, 2000.

4. On or about May 3, 1999, Andrew W. Chang made a contribution to Harris in the amount of \$250.
5. On or about September 15, 2000, Diversified made a contribution to Harris in the amount of \$4,000.
6. That aggregate contributions to Harris totaled \$4,250 for the election period, excess contribution of \$250.
7. Diversified acknowledges that an excess contribution of \$250 had been made to the Harris 2000 campaign committee in violation of section 11-204(a)(1)(C), HRS.
8. Diversified failed to file a registration pursuant to section 11-194, HRS.
9. Diversified failed to file disclosure statements pursuant to sections 11-212 and 11-213, HRS.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #02-17, Diversified understands and agrees to the following:

(A) Diversified agrees to an assessment of **Five Hundred**

Dollars (\$500) pursuant to section 11-228, HRS.

(1) For violation of section 11-204(a)(1)(C), HRS, making an excess campaign contribution to the Harris 2000 campaign committee.

- (B) Diversified agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (C) Terms of payment of the assessment shall be by Order of the Commission.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.
- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Diversified on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENTS:

Diversified Energy Services, Inc.
Andrew W. Chang

By: _____

Date: _____

(Name)
(Title)